

FINN
& CO.

LEWIS ELLIS

Milton Keynes Central

STATION HOUSE, MILTON KEYNES

COMMUTER HUB TRAIN STATION CONVENIENCE RETAIL PARADE
INDEX AND TURNOVER LINKED INVESTMENT
FOR SALE

INVESTMENT SUMMARY

- Unique opportunity to purchase commuter hub retail either side of the station entrance
- **7 million passengers** pass through Milton Keynes Central annually
- Passenger numbers have **recovered to 102% of pre-pandemic**
- Milton Keynes Central sits on the West Coast main line and benefits from services to London Euston, Birmingham New Street and Manchester Piccadilly
- **187 trains daily to London Euston** with the fastest journey time being 32 minutes
- **Virtual freehold**
- Upper parts are held in a separate ownership and are to be redeveloped into 200 residential flats
- Comprises **10 self-contained retail units totalling 14,372 sq ft GIA**
- M&S Simply Food, Pret a Manger, Starbucks, Subway
- **78% let to Low Risk Covenants**
- **WAULT to expiry of 9.23 years** (8.44 to breaks)
- Five tenancies benefit from turnover rental provisions above base rent
- Landlord to benefit from a further **circa £31,000 per annum in turnover rent on top of base rent**
- Signification forecast increases in passenger numbers should grow turnovers and rents
- **67% indexed linked income**
- Contracted income of **£537,017 per annum**

PROPOSAL

Offers are sought in excess of **£7,500,000 (Seven Million Five Hundred Thousand Pounds)**

A purchase at this level would reflect the following income profile, assuming the usual purchaser's costs:

Net Initial Yield (Base Rent):	6.71%
Reversionary Yield (Base Rent):	7.63%
Current Running Yield including Turnover Top-Ups:	7.15%



LOCATION

Milton Keynes is located at the heart of the UK and the central point between London, Birmingham, Oxford and Cambridge.

The city benefits from excellent road connections being adjacent to the M1 (Junction 14) which links to the M25 (Junction 21/21A) to the south and in turn the national motorway network. The A5 dual carriageway runs northwest to south-east through Milton Keynes enabling direct access to key towns in the surrounding area.

Milton Keynes Central railway station serves as a central hub for a number of routes with regular services to London Euston, Birmingham New Street and Manchester Piccadilly. On an average weekday there are 224 trains travelling to London Euston through Milton Keynes Central with a fastest journey time of 32 minutes.

Milton Keynes is within easy reach of the UK's international airports and is in close proximity to Heathrow, Luton, Stansted and Birmingham.



CONNECTIVITY

MAJOR RAIL INTERCHANGE



- West Coast Mainline
- East West Proposed Phase 2 (est 2028)
- East West Rail Phase 1 (est 2025)
- East West Proposed Phase 3 (est 2030)

EAST WEST RAIL



CONNECTING THE OXFORD - MILTON KEYNES - CAMBRIDGE ARC

The development of the East West Rail will connect the cities of Cambridge and Oxford via Milton Keynes. Phase One from Oxford to Milton Keynes is due to be operational by 2025. The railway line will provide fast journey times from Cambridge to Oxford in just 95 minutes, twice as fast as existing train routes. The railway line will allow further collaboration across the Arc boosting the UK's economy, the local economy and employment pool, further driving productivity. The entire line is set to be fully operational by 2030. One Grafton Mews, Milton Keynes, is the headquarters of East West Rail.

DESTINATION DISTANCE



M1 (J14)	4 miles
Oxford	30 miles
Cambridge	50 miles
Central London	55 miles
Birmingham	71 miles



London Luton	25 miles
Heathrow	55 miles
London Stanstead	58 miles
Birmingham	60 miles



THRIVING ECONOMIC CENTRE



WHY MILTON KEYNES

- **4th fastest growing economy** in UK
- Young growing population to hit **300.000 by 2027**
- **Bridge between Cambridge and Oxford** in the ARC
- **East West Rail:** connecting Milton Keynes to Oxford by 2025 and Cambridge by 2030
- Hub for SMEs with **new business growth of 27%** between 2016-2020
- **MK:U:** first technology, engineering and science focussed university
- Top 5 in UK for concentration of **high tech and digital SMEs**
- Unity Place will bring together Santander's **6,000 employees** who are currently spread across four sites in Milton Keynes
- **600 headquarters** for international firms based in Milton Keynes
- **1,000 Mbps/sec broadband** policy in the City
- **Higher concentration of EV charging stations** than Inner London
- **Low carbon energy** supplies the CBD

A TECH HUB A THRIVING ECONOMY A SMART CITY



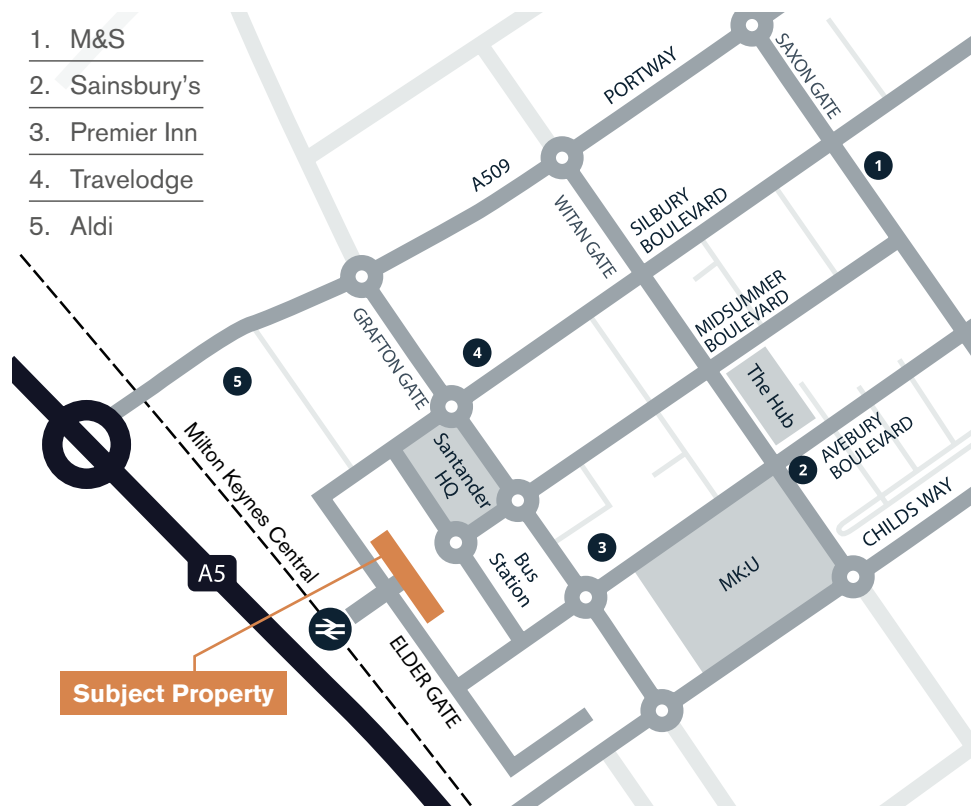
SITUATION

Gateway to Milton Keynes

The property is situated at the entrance to Milton Keynes Central Railway Station. The town centre is approximately 0.7 miles to the east along Midsummer Boulevard and provides a wide range of retail and leisure amenities.

Immediately adjacent to the property is the Central Bus Station together with car parking and a taxi service.

Junction 14 of the M1 Motorway is within a 10 minute drive.



DESCRIPTION

The property was constructed in the eighties and comprises a self-contained building arranged as retail on the ground floor with two floors above currently being re-developed into 200 flats. The building is constructed via a reinforced concrete frame with beneath a flat roof covering.

TENURE

The property is held on a virtual freehold with circa 996 years unexpired, at £10 per annum .



For indicative purposes only.

ACCOMMODATION & TENANCY

Address	Tenant	Area GIA Sq ft	Lease Start	Lease Expiry	Next Base Rent Review	Break	Base Rent £pa	Base Rent Review	Base Rent Reversion £pa	Turnover Rent Reversion £pa (if higher than Base Rent)	Turnover Rent Review	Total Rent Received YTD	Turnover YTD	Turnover Rent Calculation	Comments
Unit 1	Vacant	3,366		1 year guarantee			£85,000		£85,000			£85,000			Vendor to guarantee the rent for 12 months
Unit 2	Bhav Limited t/a Subway	1,104	17/12/2019	16/12/2039	17/12/2025	17/12/2034	£38,000	If principal rent does not increase via turnover mechanism, CPI linked rent reviews in year 6, 10 and 15, collar and capped at 1% and 3%.	£44,194		Reviewed annually. The higher of the passing rent or 80% of the previous years total rent received.	£38,000	£377,076	8% < £500k, 9% < £675k, 10% > £675k	
Unit 3	Select Service Provider UK Ltd t/a Starbucks	1,483	01/06/2021	31/05/2036	01/06/2026		£80,000	If principal rent does not increase via turnover mechanism, the principal rent is reviewed 5 yearly CPI linked, collar and capped at 1% and 3%.	£91,398		Reviewed annually. The higher of the passing rent or 75% of the previous years total rent received.	£80,000	£342,943	TOR = 15%	
Unit 4	Pret a Manger (Europe) limited t/a Pret a Manger	1,911	16/10/2019	15/10/2034	16/10/2024		£90,000	If principal rent does not increase via turnover mechanism, the principal rent is reviewed 5 yearly CPI linked, collar and capped at 1% and 3%.	£102,116	£90,766	Reviewed annually from October 2024. The higher of the passing rent or 75% of the previous years total rent received.	£121,022	£1,190,143	TOR = 10% < £1.15m, 15% > £1.15m	As the turnover threshold has been met and therefore the total passing rent received is higher than the initial rent agreed, at review the rent review mechanism utilised will be that of the Turnover Rent Reversion, not indexation. There are effectively 2 leases (4 and 3a) with same conditions.
Unit 5	Costa Limited t/a Costa	1,217	05/05/2017	04/05/2027	05/05/2022	Rolling 6 month tenant option to break	£57,500	Open market rent review	£57,500			£57,500			Outstanding rent review from May-22
Unit 6	Select Service Provider UK Ltd t/a Marks & Spencer	2,806	25/03/2020	29/12/2035	29/12/2025		£75,000	If principal rent does not increase via turnover mechanism, the principal rent is reviewed 5 yearly uncapped CPI linked.	£93,909		Reviewed annually. The higher of the passing rent or 80% of the previous years total rent received.	£75,000	£1,000,174	TOR = 5%	
Unit 7	Anton Belcian Rajanayagam t/a Station Express	826	25/12/2019	24/12/2039	25/12/2025		£33,000	If principal rent does not increase via turnover mechanism, CPI linked rent reviews in year 6 and 11, collar and capped at 2% and 4%.	£41,524		Reviewed annually. The higher of the passing rent or 80% of the previous years total rent received.	£37,188	£307,918	TOR = 12% < £300k, 15% > £300k (+5% on tobacco products)	
Unit 8	Europcar Group UK Limited	574	12/12/2016	11/12/2026	12/12/2022		£43,831	Annual CPI linked reviews, collar and capped at 1% and 3%, respectively.	£45,146			£43,517			
Unit 8a	Vacant	1,085		1 year guarantee			£35,000		£49,732			£35,000			Vendor to guarantee the rent for 12 months
Total		14,372					£537,331		£610,519			£572,226			

COVENANT INFORMATION



Bhav Ltd t/a Subway (06746965)
Creditsafe rating of 57/100 or 'Low Risk'.

Subway is an American multi-national fast food restaurant franchise. Founded in 1965, it has grown to become a global franchise and in 2015 was the fastest-growing franchise in the world, with 37,540 locations. It is also the largest single-brand restaurant chain, and the largest restaurant operator in the world.

Year to Date	Turnover	Pre-Tax Profit	Shareholder Funds
30/04/2021			£1,009,960
30/04/2020			£761,150
30/04/2019			£836,710



STARBUCKS M&S

Select Service Partner UK Ltd t/a Starbucks and M&S (05687183)
Creditsafe rating of 80/100 or 'Very Low Risk'.

Select Service Partner is a British multinational contract foodservice company, with headquarters in London, England. It operates more than 2,800 branded catering and retail units at over 180 airports and 300 railway stations across 35 countries as a concessionaire. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index.

Year to Date	Turnover	Pre-Tax Profit	Shareholder Funds
29/09/2021	£158,997,000	-£34,909,000	£391,481,000
30/09/2020	£360,392,000	-£44,182,000	£412,355,000
25/09/2019	£725,020,000	£94,096,000	£452,355,000

★ **PRET A MANGER** ★ **Pret a Manger (Europe) Ltd (10674734)**
Creditsafe rating of 29/100 or 'High Risk'.

Pret a Manger is an international sandwich shop franchise chain based in the United Kingdom, founded in 1983. As of 2021 Pret had over 460 shops in the UK, 317 of them in London, reducing to 311 in 2022.

Year to Date	Turnover	Pre-Tax Profit	Shareholder Funds
30/12/2021	£372,262,000	-£160,562,000	£15,528,000
31/12/2020	£299,380,000	-£256,230,000	£144,073,000
02/01/2020	£708,359,000	-£26,014,641	£364,731,000



Costa Ltd (01270695)
Creditsafe rating of 80/100 or 'Very Low Risk'.

Costa Ltd is a British coffeehouse chain with headquarters in Dunstable, England. And was founded in London in 1971. It was acquired by The Coca-Cola Company in 2019 for £3.9bn, and has grown to 3,401 stores across 31 countries and 18,412 employees. The business has 2,121 UK restaurants, over 6,000 Costa Express vending facilities and a further 1,280 outlets overseas, including 460 in China.

Year to Date	Turnover	Pre-Tax Profit	Shareholder Funds
31/12/2020	£603,588,000	-£222,103,000	£275,461,000
31/12/2019	£880,587,000	£5,336,000	£464,872,000
26/02/2019	£1,344,138,000	£139,523,000	£528,119,000



Anton Belcian Rajanayagam (ABR Station Express Ltd) t/a Station Xpress (09922484)
Creditsafe rating of 55/100 or 'Low Risk'.

ABR Station Express Ltd is a Newsagents operated by Anton Rajanayagam, who is local to Milton Keynes. The tenant has been in occupation since 2020.

Year to Date	Turnover	Pre-Tax Profit	Shareholder Funds
31/12/2021			£22,040
31/12/2020			£18,196
31/12/2019			£17,645



Unit 8a – Europcar Group UK Ltd (01089053)
Creditsafe rating of 79/100 or 'Very Low Risk'.

Europcar Group UK Ltd is a French car rental company founded in 1949 in Paris. The head office of the holding company, Europcar Group S.A., is in the business park of Val Saint-Quentin at Voisins-le-Bretonneux (Saint Quentin en Yvelines), France. Europcar operates in 140 countries covering Europe, North America, Western Asia, and Africa. Since July 2022, Europcar has been owned by Green Mobility Holding, S.A. a consortium led by the Volkswagen Group, Attestor and Pon Holdings.

Year to Date	Turnover	Pre-Tax Profit	Shareholder Funds
31/12/2020	£203,288,000	-£28,630,000	£42,789,000
31/12/2019	£331,993,000	-£4,096,000	£35,034,000
31/12/2018	£333,806,000	£14,000	£38,406,000

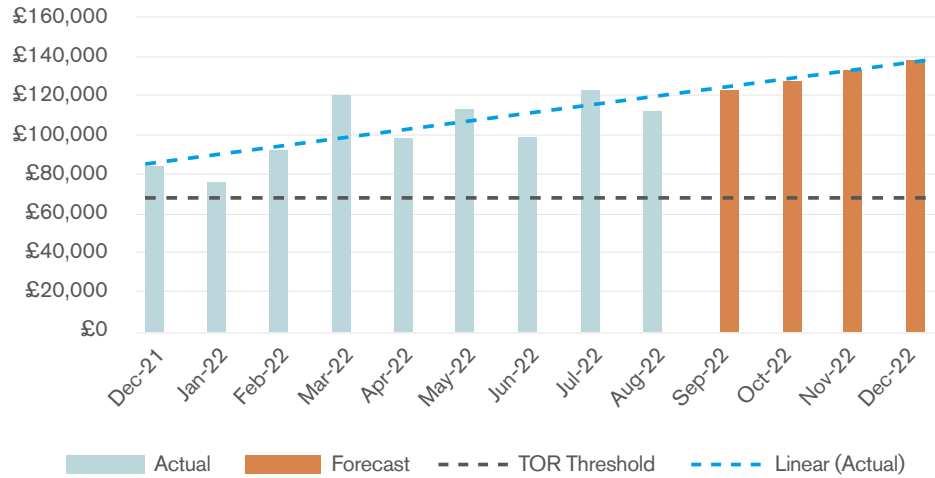




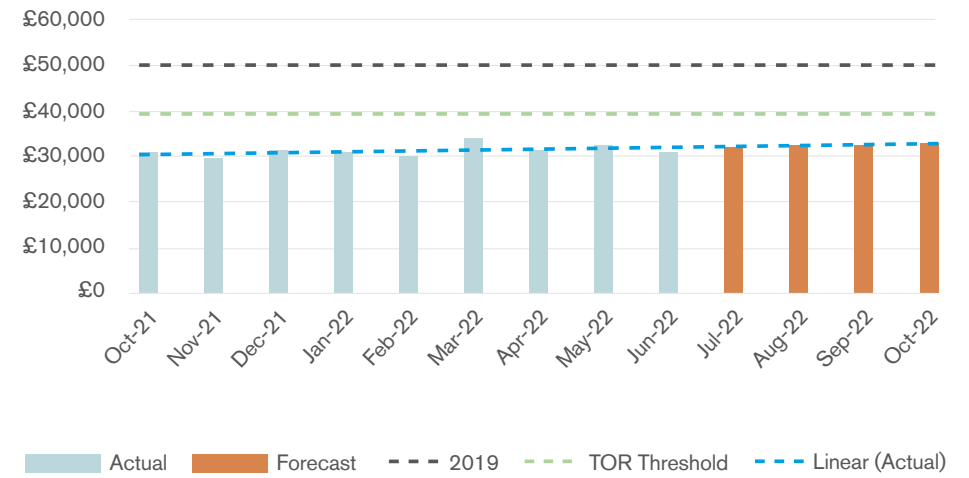
TURNOVER RENTS

Address	Tenant	Base Rent	Base Rent Reversion	Turnover YTD	Turnover Provision	Turnover Rental Calculation	Turnover Reporting
Unit 2	Subway	£38,000	£38,000	£377,076	8% < £500k, 9% < £675k, 10% > £675k	£30,166	Monthly
Unit 3	Starbucks	£80,000	£80,000	£342,943	TOR = 15%	£51,441	Quarterly
Unit 4	Pret a Manger	£90,000	£109,620	£1,190,143	TOR = 10% < £1.15m, 15% > £1.15m	£132,120	Monthly
Unit 6	Marks & Spencer	£75,000	£75,000	£1,000,174	TOR = 5%	£50,009	Quarterly
Unit 7	Station Express	£33,000	£33,000	£307,918	TOR = 12% < £300k, 15% > £300k (5% on tobacco products)	£37,188	Annually

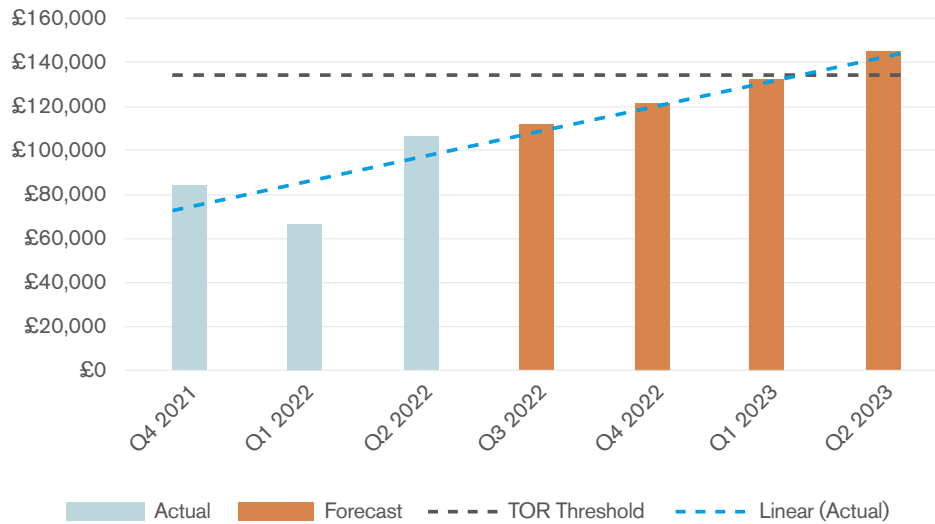
PRET A MANGER TURNOVER



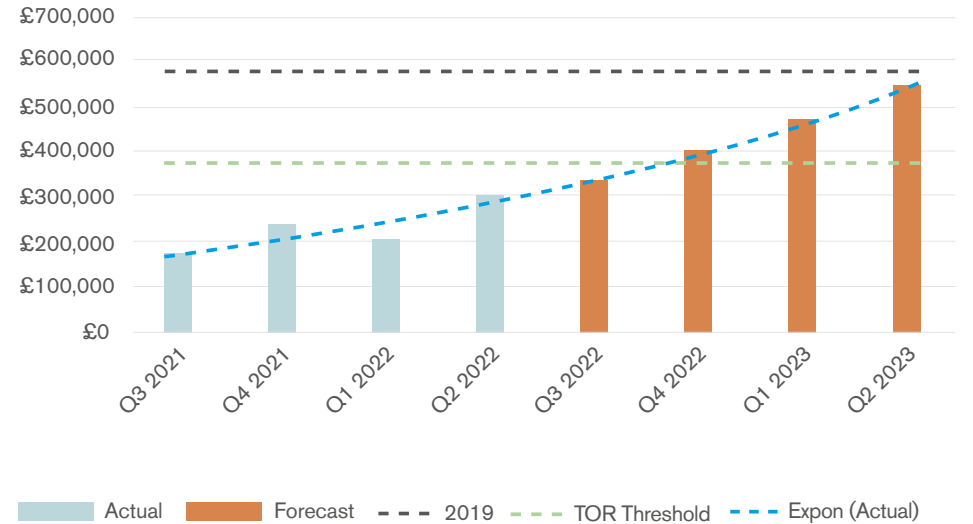
SUBWAY TURNOVER



STARBUCKS TURNOVER



M&S TURNOVER



EPC

The EPCs can be found in the dataroom.

VAT

The property is elected for VAT. It is anticipated that the sale be treated as a transfer of a going concern (TOGC).

DATA ROOM

Further information is available on the data room upon request.

AML POLICY

In accordance with Anti-Money Laundering (AML) Regulations, the purchaser will be required to satisfy the vendor on the source of the funds used to complete the transaction.

PROPOSAL

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Reversionary Yield (Base Rent):	7.63%
Current Running Yield including Turnover Top-Ups:	7.15%





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